

## Message Text

PAGE 01 BRUSSE 00207 111907Z

66

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 111845Z JAN 74

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 9594

INFO AMEMBASSY KINSHASA

S E C R E T BRUSSELS 0207

EXDIS

E.O. 11652: GDS

TAGS: EMIN, CG, BE, EIND, PFOR

SUBJECT: ZAIRE - SGM CONTRACT NEGOTIATIONS

REF: KINSHASA 153

1. FONMIN AFRICAN AFFAIRS DIRECTOR LEBRUN TOLD EMBOFF JANUARY 11 THAT SGM HAD LEARNED PREVIOUS DAY THAT ZAIRIAN NATIONAL BANK HAD NOT CREDITED 6 PERCENT MANAGEMENT FEE TO SGM ACCOUNT ON JANUARY 9 AS IS NORMALLY DONE EACH WEDNESDAY. AFTER UNSUCCESSFUL ATTEMPT BY BELGIAN EMBASSY TO FIND OUT FROM BANK WHY TRANSFER NOT MADE, CHARGE CAHEN QUERIED BISENGIMANA, WHO SAID THAT FEE WITHHELD ON INSTRUCTIONS OF PRESIDENT MOBUTU.

2. LEBRUN NOTED THAT SGM HAD BEEN WILLING TO DISCUSS CONTRACT WITH ZAIRIANS AS LONG AS BAISC PRINCIPLE OF INDEMNISATION NOT QUESTIONED. SUSPENSION OF FEE TRANSFER, HE SAID, NOW JEOPARDIZED THAT PRINCIPLE. SGM REPRESENTATIVES THEREFORE UNWILLING TO DEPART JANUARY 11 FOR CONSULTATIONS IN KINSHASA AS PLANNED. BISENGIMANA, IN ANY CASE, SAID THAT CONSULTATIONS COULD NOT TAKE PLACE BECAUSE HE DEPARTING JANUARY 12 FOR UNDISCLOSED DISTINATION.

3. ACCOURDING TO LEBRUN, MOBUTU RECENTLY INVITED SOCIETE GENERALE DIRECTOR NOKIN TO MEET WITH HIM DURING MOBUTU'S FORTHOMING STAY IN BADEN-BADEN. MOKIN WAS PREPARED TO ACCEPT INVITATION BEFORE PROBLEM OF FEE TRANSFER AROSE, BUT LEBRUN HAD NO SECRET

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INFORMATION OF HIS REACTION SINCE THEN.

4. LEBRUN SAID THAT HE DID NOT HAVE FIGURES ON HOW MUCH UNION MINIERE HAS BEEN COMPENSATED SO FAR. HE ADDED, HOWEVER, THAT

AT TIME OF 1969 AGREEMENT SOCIETE GENERALE APPRAISED VALUE  
OF UNION MINIERE OPERATION IN ZAIRE AT 20 BILLION BELGIAN  
FRANCS. GOZ LATER ARRANGED FOR APPRIASAL BY BRITISH CONSULTING  
FIRM, WHICH CAME UP WITH CONSIDERABLE LOWER FIGURE. (LEBRUN DID  
NOT KNOW PRECISE AMOUNT.) LEBRUN SPECULATED THAT GOZ MAY NOW BE  
CLAMINING THAT, ON BASIS OF LOWER APPRAISAL, UNION MINIERE HAS  
BEEN ADEQUATELY COMPENSATED. HE MENTIONED IN PASSING THAT OF  
6 PERCENT PAID SGM, 1 PERCENT IS FOR MANAGEMENT SERVICES WHILE  
5 PERCENT IS MARKED FOR INDEMNISATION OF UNION MINIERE. STRAUZ-HUPE

SECRET

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## Message Attributes

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